

Current Situation and Support Measures for Medical and Healthcare Industry in Thailand

29 October 2020

Suthiket Thatpitak-kul
Executive Director
Investment Promotion Division 1
Thailand Board of Investment



AGENDA

01 Introduction to the BOI Industry

02 Investment Promotion Incentives



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BOI's Investment Incentives

Tax Incentives

- Corporate income tax exemption
- 50% reduction of corporate income tax after the expiry of tax exemption period
- 50% CIT reduction within 10 years
- Investment Tax Allowance (ITA)
- Exemption of import duties on machinery
- Exemption of import duties on raw materials (used in the manufacture of exports and for R&D purposes)

Non-Tax Incentives





BOI Investment Incentive Scheme

Standard Incentives

Activity-Based



≤ 8 years CIT exemption

Technology-Based

- Targeted Core Technologies -



Bio-Technology DigitalTechnology Nano-Technology Advanced Material Technology

10 years CIT exemption



Additional Incentives

Merit-Based

- Research & Development (R&D)
- Support academic / research institutes, or technology and human resource development fund
- IP licensing fee
- Advanced technology training
- Development of local suppliers
- Product and packaging design

Area-Based

- EEC 3 provinces
- SEZ 10 provinces
- Southern border provinces
- 20 provinces with lowest income
- Industrial Estates/Zones
- Science and Technology Parks (TSP, Food Innopolis, Space Krenovation Park)

Standard Product-Based Incentive Packages

8 years
CIT exemption
0 year

		Exemption CIT	Exemption Import duties on machinery	Exemption Import duties on raw materials	Non-tax incentives
A1	Knowledge-based activities focusing on R&D and design to enhance the country's competitiveness	8+ Merit years no cap	✓	✓	✓
A2	Infrastructure activities for the country's development, activities using technology to create value-added, with no or very existing investments in Thailand	8+ Merit years	✓	✓	✓
A3	High technology activities which are important to the development of the country, with a few investments already existing in Thailand	5+ Merit years	✓	✓	✓
A4	Activities with lower technology than A1-A3 but which add value to domestic resources and strengthen the supply chain	3+ Merit years	✓	✓	✓
B1	Supporting industry that does not use high technology, but is still important to the value chain	- + Merit years	✓	✓	✓
B2	Supporting industry that does not use high technology, but is still important to the value chain	- years	-	✓	✓

Incentives are based on several key factors including level of technology, role in supply chain, and location.

AGENDA

01

Introduction to the BOI
Industry

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Investment Promotion
Incentives

Investment Incentive for the **Medical Device** Industry

Activities	CIT Exemption	Exemption of import duties on machinery	Exemption of import duties on raw materials used in production for export	Non-tax incentives
Manufacture of high-risk or high-technology medical devices, (e.g. x-ray machine, MRI machine, CT scan machine and implants) or medical devices that are commercialized from public sector research or collaborative public-private sector research				
In case projects include R&D and innovation	8 years CIT exemption (no cap)	✓	✓	✓
In case projects not include R&D and innovation	8 years CIT exemption	✓	✓	✓
Manufacture of other medical devices (except for medical devices made of fabrics or fibers)	5 years CIT exemption	✓	✓	✓
Manufacture of medical devices made of fabrics or fibers, e.g. gowns, drapes, caps, face masks, gauze and cotton wool	3 years CIT exemption	✓	✓	✓

See additional conditions at https://www.boi.go.th/upload/content/BOI-A%20Guide_EN.pdf (English ver.) or https://www.boi.go.th/upload/content/BOI_A_Guide_Web_Th.pdf (Thai ver.)

Source: Thailand Board of Investment



Investment Incentive for the **Pharmaceutical Industry**

Activities	CIT Exemption	Exemption of import duties on machinery	Exemption of import duties on raw materials used in production for export	Non-tax incentives
Manufacture of Medical Food or Food Supplements	8 years CIT exemption	✓	✓	✓
Manufacture of Active pharmaceutical ingredients	8 years CIT exemption	✓	✓	✓
Manufacture of Medicine				
Manufacture of targeted medicine	8 years CIT exemption	✓	✓	✓
Manufacture of conventional and traditional targeted medicines	5 years CIT exemption	✓	✓	✓

See additional conditions at https://www.boi.go.th/upload/content/BOI-A%20Guide_EN.pdf (English ver.) or https://www.boi.go.th/upload/content/BOI_A_Guide_Web_Th.pdf (Thai ver.)

Investment Incentive for the **Biotechnology Sector**

Activities	CIT Exemption	Exemption of import duties on machinery	Exemption of import duties on raw materials used in production for export	Non-tax incentives
Biotechnology	8 years CIT exemption (No Cap)	✓	✓	✓
- Seed Industry & Improvement of plant, animal or microorganism				
- Biopharmaceutical agent				
- Diagnostic kits for health, agriculture, food and environment				
- Bio-molecule and bioactive substance using microorganism, plant cell and animal cell				
- Raw Materials and/or essential materials used in Molecular biological experiment				
- Biological substances analysis and/or synthesis services				

Investment Incentive for the **Medical Service Sector**

Activities	CIT Exemption	Exemption of import duties on machinery	Exemption of import duties on raw materials used in production for export	Non-tax incentives
Medical Centers of Excellence (targeted illnesses only)	8 years CIT exemption	✓	✓	✓
Hospitals (in the designated provinces)	8 years CIT exemption	✓	✓	✓
Traditional Thai medical centers	5 years CIT exemption	✓	✓	✓
Transportation services for patients, doctors, or medical equipment	5 years CIT exemption	✓	✓	✓
Health rehabilitation centers	-	✓	✓	✓

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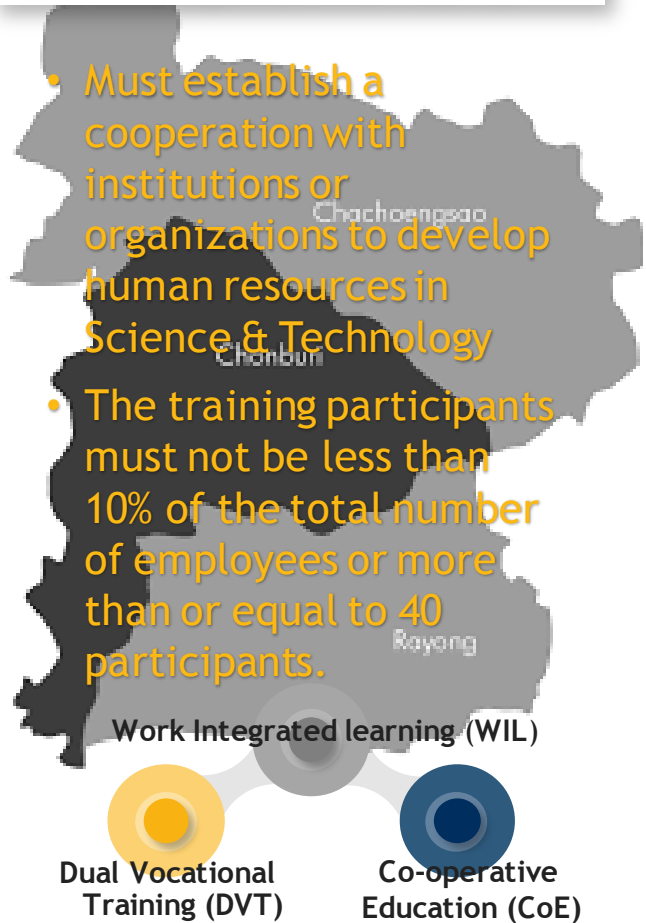
Think Resilience

THINK THAILAND

New Tax Incentives Scheme under New EEC Packages

Targeted Activities (Basic Incentive)	1 HRD Criteria *	2 Location Criteria	
	All EEC Areas	EECi / EECa EECd / EECmd	Industrial Estates or BOI Promoted Industrial Parks
A1 / A2 CIT Exemption 8 years	+ Reduction of CIT 50% for 3 years	+ Reduction of CIT 50% for 2 years	-
A3 CIT Exemption 5 years	+ Reduction of CIT 50% for 3 years	+ Reduction of CIT 50% for 2 years	OR + Exemption of CIT for 1 year
Section 8 CIT Exemption 10 years	+ Exemption of CIT for 2 years	+ Exemption of CIT for 1 year	OR + Exemption of CIT for 1 year

* For Human Resource Development Criteria



Applicants can apply for incentives under one or both criteria.

International Medical Device Companies with Manufacturing Facilities in Thailand





SMART VISA

Taking Thailand to New Heights with Foreign Talent and Technology



Privileges for **SMART** Visa



Maximum 4 years Visa
*Except Smart S



Permission to
work with no
work permits
required



No re-entry
required



Fast Track Service at
International
Airports



Criteria for Project Approval



≥ 1 million baht*
(excluding cost of land
and working capital)



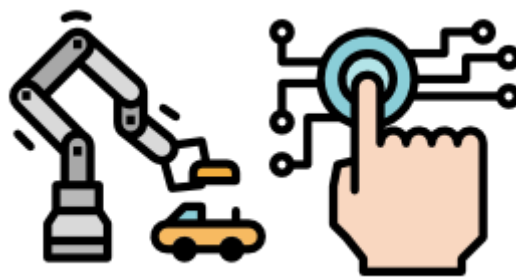
**debt-to-equity
 $\leq 3 : 1$**



**value-added
 $\leq 20\%$**



**environmental
protection**



**New machinery &
modern production processes**



ISO certification

Projects with ≥ 10 M THB
investment

One Start One Stop Investment Center (OSOS)



Consolidating staff from numerous investment-related agencies



Easing & speeding procedures for new investors



Provides comprehensive information and advice on establishing operation in Thailand



Provides useful contacts with key public and private organizations



1-Stop for visas & work permits In 3 hours
“SMART Visa Program”



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18th Floor, Chamchuri Square
Building, 319 Phayathai
Road, Pathumwan
Bangkok 10330, Thailand

Tel: 66(0)2 209 1100
Fax: 66(0)2 209 1199
Email: osos@boi.go.th



FOR MORE INFORMATION

Office of the Board of Investment
555 Vibhavadi-Rangsit Road,
Chatuchak, Bangkok 10900 Thailand



 (+662) 553-8111

 (+662) 553-8222

 head@boi.go.th

 <http://www.boi.go.th>

